

Washington State Auditor's Office

Audit Report

Audit Services

Report No. 57864

CITY OF SHORELINE

King County, Washington

Pre-Incorporation Period
April 25, 1995 Through August 30, 1995
and Post-Incorporation Period
August 31, 1995, through December 31, 1995

Issue Date: November 27, 1996

TABLE OF CONTENTS

	Page
Background	B-1
Management Section	
<hr/>	
Independent Auditor's Report On Compliance With State Laws And Regulations . .	M-1
Financial Section	
<hr/>	
Independent Auditor's Report On Financial Statements	F-1
General-Purpose Financial Statements:	
Pre-Incorporation Period April 25, 1995 Through August 30, 1995	
Combined Balance Sheet) All Fund Types And Account Groups	F-2
Statement Of Revenues, Expenditures, And Changes In Fund	
Balances) All Governmental Fund Types	F-4
Combined Statement Of Revenues, Expenditures, And Changes In	
Fund Balances) Budget And Actual) General Fund	F-5
Post-Incorporation Period August 31, 1995 Through December 31, 1995	
Combined Balance Sheet) All Fund Types And Account Groups	F-6
Statement Of Revenues, Expenditures, And Changes In Fund	
Balances) All Governmental Fund Types	F-8
Combined Statement Of Revenues, Expenditures, And Changes In	
Fund Balances) Budget And Actual) General And Special	
Revenue Funds	F-10
Notes To Financial Statements	F-12
Addendum	
<hr/>	
Directory Of Officials	A-1

CITY OF SHORELINE
King County, Washington
Pre-Incorporation Period April 25, 1995 Through August 30, 1995
And Post-Incorporation Period August 31, 1995 Through December 31, 1995

Background

The incorporation of the City of Shoreline was approved by the voters in September 1994. In the April 1995 election, the voters elected a city council of seven members who will serve through December 1997. After December 1997, four council members will serve a four-year term, while the remaining three will serve a two-year term for the first term, then a four-year term thereafter. Shoreline is a noncharter code city, operated under RCW Title 35A. The city chose to organize under the council/manager form of government, whereby a full-time city manager is hired to run the day-to-day operations of the city and is responsible to the council. The council selects a mayor from its own membership.

Chapter 35.02 RCW authorizes a pre-incorporation period which ran from the election of the council on April 25, 1995, up until the formal incorporation, which occurred on August 31, 1995. During this period, elected officials are permitted to exercise various limited powers to facilitate the transition to becoming a city and to ensure continuity of services after incorporation.

The city currently has a population of approximately 48,600 people, making it a Category I city, subject to the Category I reporting requirements. Financing during the pre-incorporation period consisted mainly of short-term tax anticipation notes payable.

CITY OF SHORELINE
King County, Washington
Pre-Incorporation Period April 25, 1995 Through August 30, 1995
And Post-Incorporation August 31, 1995 Through December 31, 1995

**Independent Auditor's Report On Compliance With State
Laws And Regulations**

City Council
City of Shoreline
Shoreline, Washington

We have audited the general-purpose financial statements, as listed in the table of contents, of the City of Shoreline, King County, Washington, as of and for the pre-incorporated period April 25, 1995, through August 30, 1995, and post-incorporated period August 31, 1995, through December 31, 1995, and have issued our report thereon dated October 30, 1996.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the city complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the city's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the city and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the city complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the city had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the city council and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag
State Auditor

October 30, 1996

CITY OF SHORELINE
King County, Washington
Pre-Incorporation Period April 25, 1995 Through August 30, 1995
And Post-Incorporation Period August 31, 1995 Through December 31, 1995

Independent Auditor's Report On Financial Statements

City Council
City of Shoreline
Shoreline, Washington

We have audited the accompanying general-purpose financial statements of the City of Shoreline, King County, Washington, as of and for the pre-incorporated period April 25, 1995, through August 30, 1995, and post-incorporated period August 31, 1995, through December 31, 1995, as listed in the table of contents. These financial statements are the responsibility of the city's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Shoreline, at August 31, 1995, and December 31, 1995, in conformity with generally accepted accounting principles.

Brian Sonntag
State Auditor

October 30, 1996